DEPARTMENT OF THE ARMY

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COASTAL WETLANDS AND PROGRAMS OF THE U.S. ARMY CORPS OF ENGINEERS

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Mr. Chairman and Members of the Committee: Thank you for the opportunity to testify on the importance of wetlands to the Nation and Army programs which have been successful in restoring and protecting those resources. I am Joseph W. Westphal, Assistant Secretary of the Army for Civil Works.

Wetlands can generally be divided into two groups, tidal (coastal) wetlands and non-tidal (inland) wetlands. Vegetation, hydrology, and soil composition, all contribute to defining a wetland. Wetlands are not only aesthetically pleasing and provide valuable fish and wildlife habitat, they also provide valuable economic functions. Wetlands slow the flow of flood waters, retain them, and gradually release them downstream, protecting downstream landowners from flooding impacts. Wetland vegetation protects property by reducing shoreline erosion through binding loose sediments in their network of roots, dampening waves, and reducing current velocity. Near urban areas, wetlands act to recharge groundwater, providing sufficient quantities of water for public use. Wetlands intercept contaminants in surface water runoff from streets, highways, and parking lots, by trapping and filtering wastes, sediments, and nutrients before the waters enter rivers, bays, and the ocean.

The nation has lost nearly half of the wetland acreage that existed in the lower 48 States prior to European settlement. Based upon a set of important principles the Clinton Administration issued, in August 1993, over forty comprehensive wetlands reform initiatives in order to begin to reverse the historic trend of wetland loss. The initiatives act to improve responsiveness to the public, provide a streamlined permit process for minor projects, expand partnerships between Federal, State, and local agencies, avoid unnecessary requirements for the average citizen, and encourage advance planning and wetlands restoration activities. These reforms support a goal of no net loss" of wetlands and will increase the quality and quantity of our nation's wetlands resource base in the future.

Coastal wetlands are valuable resources because they protect against flooding, help maintain water quality, and provide habitat for myriad fish and wildlife species, many of them threatened and endangered. Coastal environments are important economically because they generate billions of dollars annually through such industries as tourism and sport and commercial fisheries. Coastal wetlands also provide infrastructure protection by reducing damage from hurricanes and other storms.

Louisiana's coastal wetlands provide habitat for fisheries, waterfowl, neotropical birds and furbearers; protection for oil and gas exploration and production, and waterborne commerce; amenities for recreation, tourism, flood protection; and the context for a culture unique to the world. Benefits go well beyond the local and state levels by providing positive economic impacts to the entire nation.

Coastal wetland habitats in Louisiana serve as the foundation for a $1 billion annual seafood industry, a $200 million annual sport hunting industry, a $14 million alligator industry, valuable fur resources, wild crawfish resources, hardwood timber and commercial livestock range lands that equate to thousands of jobs critical to the economies of many coastal communities.

More than 1. 1 billion pounds of fish and shellfish are harvested annually from Louisiana waters. Domestic and commercial landing statistics indicate that Louisiana provides more fishery landings than any other state in the lower 48. In fact, as much as 16 percent of the nation's fisheries harvest, including shrimp, crabs, crayfish, oysters and many finfish, comes from Louisiana's coast. Over 75% of Louisiana's commercially harvested fish and shellfish are dependent on wetlands.

Approximately 40 percent of the coastal wetlands of the lower 48 states are located in the State of Louisiana. This fragile environment is disappearing at an alarming rate -- every 24 minutes Louisiana loses another acre of land. Over the past 50 years Louisiana has lost an average of 40 square miles of marsh a year. This represents 80 percent of the Nation's annual coastal wetland loss for the same period. While less in the 1990s, losses continue at a rate of 25 to 35 square miles per year. There are numerous causes for these losses, but the leading causes are disruption of natural hydrology (and sediment replenishment), development, agricultural and urban run-off, shoreline modification, municipal waste disposal, oil/gas operations and chemical spills. Buffeted by the forces of erosion and impacted by the disruption of natural replenishment of sediments, marsh subsidence has become a major problem. Thousands of acres of marsh are converting to less productive open water ponds, often fraught with dissolved oxygen problems. If the current rate of coastal wetland loss is not slowed, by the year 2050 an estimated additional 640,000 acres of wetlands will disappear from the Louisiana coast. As a result, the Louisiana shoreline could advance inland as much as 33 miles in

some areas.

The loss of coastal wetlands is a national problem. However, Louisiana is the prime example and foremost battleground. As a result of these losses, there are significant decreases in flood protection, hurricane protection, and habitat inhabited by myriad fish and wildlife species, some threatened and endangered. Water quality is adversely impacted because wetlands are no longer available to filter contaminants and pollutants. Water supply is affected by subsidence and the advance of saline water inland which reduces groundwater recharge areas and allows saltwater intrusion into the groundwater. Adverse impacts occur to fish and wildlife species and habitats, private property, nature based tourism, navigation, oil/gas activities, and agricultural and developed areas. In Louisiana, an estimated 70,000 people are directly engaged in wetland-dependent fisheries and in subsequent processing, wholesaling, and other activities, and licensed saltwater sports fishermen spend approximately $181 million annually on fishing and have nearly $1 billion invested in boats, gear, camps, and other equipment. Estimates indicate that economic losses are at $4,300/acre/year, a substantial impact to the local and national economy. Extending these economic losses over a 50 year period brings the total to an estimated $57.8 billion.

By serving as a buffer to destructive climatic forces and the episodic impact of storms, Louisiana's coastal wetlands provide protection for the people who live and work there and the infrastructure that supports them. More than 400 million tons of waterborne commerce (the largest in the nation) move within the coastal channels each year. Those wetlands contain ten major Federal navigation channels that provide access to port facilities across the state. Louisiana's coastal wetlands also help to protect nationally significant oil and gas facilities. An estimated 21 % of the nation's natural gas supply, valued at $7.4 billion per year, originates from Louisiana wetlands. Additionally, petroleum products valued at $30 billion per year are produced in Louisiana coastal zone refineries.

Concerns for wetland losses have prompted both Louisiana and Congress to act. In 1989, an amendment to the Louisiana Constitution established a dedicated Wetlands Trust Fund for coastal wetlands restoration. Through this fund, up to $25 million per year in state oil and gas lease payments, royalties and severance tax collections were dedicated to wetlands restoration in coastal Louisiana. Congress passed the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) in 1990. This Act is commonly referred to as the Breaux Act because of the leadership of Senator John Breaux as the primary sponsor. It contains two components. The first component, the National Coastal Wetlands Conservation Grant Program, authorizes the USFWS to provide matching grants for the acquisition, restoration, management, or enhancement of coastal wetlands (about $6 million annually; excludes Louisiana). Under the second component, a CWPPRA Task Force (DA,

DOC, DOI, EPA, USDA, Louisiana) provides oversight and develops, annually, lists of high priority projects focused on marsh creation, restoration, protection or enhancement. Under the Breaux Act approximately $35 million is provided annually for environmental restoration and protection work in the State of Louisiana. The Louisiana Wetlands Trust Fund provides the State's cost sharing contribution. Total restoration project investments can exceed $40 million per year.

To date eight priority project lists have been formulated involving 81 active projects, 30 of which have been completed. When implemented, these projects will reduce the loss of coastal wetlands by 67,726 acres over the next 20 years. The CWPPRA authority limits the size of projects that can be implemented. In addition to CWPPRA, the Corps can use its Section 204, 206, and 1135 authorities to construct small environmental projects where Federal costs are less than $5 million. However, competition for the limited funds provided by these programs is intense and there are many needs across the county. Considering the staggering rate of wetland loss, the CWPPRA and the other Corps small projects authorities are only a partial solution. Projections are that only 23% of coastal wetland losses will be offset by gains accomplished under these authorities.

There is a critical need to find ways to address coastal losses which are comprehensive, large scale, and sustainable. The recently completed COAST 2050 plan could serve as the foundation for a new consensus-based, integrated approach to dealing with coastal wetland losses. COAST 2050 was developed under the authority of Breaux Act. It was a joint planning initiative by the Louisiana Wetland Conservation and Restoration Authority, the Breaux Act (CWPPRA) Task Force, and the Louisiana Department of Natural Resources. The goal was to develop a strategic plan to protect and sustain the State's coastal resources for future generations in a manner that is consistent with the welfare of the people. Coastal restoration strategies were solicited from regional planning teams and their effects were evaluated. Resources and their uses were identified and prioritized. This plan should provide the basis for a coastal policy that will help coordinate strategies among the Federal and State coastal restoration programs and the State Coastal Zone Management Program.

The Coast 2050 process was intended to increase the number of implementable projects and improve performance and effectiveness of Breaux Act projects. Part of the Coast 2050 initiative involved communicating to the public the extent of the problem and the need for coastal restoration. Each parish and local community was asked to describe what they would like their region to look like in the year 2050 and to partner with the agencies to develop strategies to address those problems and needs. In addition, the goal of the Coast 2050 initiative was to develop a technically sound strategic plan to sustain coastal resources and consider coastal wetland restoration needs

within the context of needs for transportation, hurricane protection and the general welfare of the population.

The main features of the plan involve the restoration of natural processes through watershed management (such as river diversions and hydrologic restoration), and watershed structural repair (such as restoration of barrier islands). Institutional processes, such as coordinating mitigation planning with restoration efforts and implementing best management practices, are part of the plan. Also part of the plan are coastwide strategies, such as dedicated dredging for wetland creation, grazing control, and terracing. Regional strategies are far too numerous to mention, but include such measures as restoring upper basin swamps, barrier island restoration, marsh creation with dredge material, river sediment and freshwater distributions, shoreline protection, and delta building. Construction of the plan would cost about $14 billion.

The Coast 2050 plan is already serving as the basis for long term solutions. The Breaux Act agencies are now using Coast 2050 strategies to formulate candidate projects for the 9'" priority project list. However, the funding of projects selected on the 9'h and subsequent lists will depend on the reauthorization of the Breaux Act this year. I support that reauthorization as an integral foundation to the implementation of more comprehensive, longer-term solutions to the National problem of coastal losses. Many more projects are needed to ensure a sustainable coast that retains the functions and values of a natural ecosystem.

As you know, the President has proposed a Lands Legacy Initiative as part of the FY 2000 Budget. This initiative calls for permanent funding for many of the same purposes as the subject legislation. Specifically, the budget provides approximately $1 billion within a balanced budget in FY 2000 and a permanent funding stream of at least $1 billion/year beginning in FY 2001. The principles that underlie the Administration's Lands Legacy Initiative are provided as an attachment to this testimony.

Mr. Chairman, thank you for the opportunity to testify on the importance of wetlands to the Nation and Army programs which have been successful in restoring and protecting those resources. This concludes my statement. I will be pleased to answer any questions you or other members of the Committee may have.